

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF SOUTH CAROLINA

IN RE:)
)
J. Larry Connelly,)
)
)
)
Debtor.)

CHAPTER 7
Case No. 02-10540-W

TO: ALL CREDITORS AND PARTIES IN INTEREST

**NOTICE AND APPLICATION FOR SALE OF PROPERTY
FREE AND CLEAR OF LIENS, ENCUMBRANCES AND OTHER INTERESTS
PURSUANT TO 11 U.S.C. §363(b)(1) and (f)**

YOU ARE HEREBY NOTIFIED that the Trustee is applying for approval to sell the property of debtor's estate described below free and clear of all liens, encumbrances, and interests according to the terms and conditions stated below.

TAKE FURTHER NOTICE any party objecting to the Trustee's sale must do so in writing and in accordance with Local Rule 9014. All objections should be filed with the Clerk of Court at Post Office Box 1448, Columbia, South Carolina 29202, with a copy served on the Trustee at his address as shown below. A copy of the objection should also be served on the United States Trustee, Strom Thurmond Federal Building, 1835 Assembly Street, Room 953, Columbia, South Carolina 29201.

TAKE FURTHER NOTICE that any response, return and/or objection to this application, should be filed with the Clerk of the Bankruptcy Court no later than **twenty (20) days** from service of the motion and a copy simultaneously served on all parties in interest. TAKE FURTHER NOTICE that no hearing will be held on this application unless a response, return and/or objection is timely filed and served, in which case, the Court will conduct a hearing on **December 10, 2002 at 11:00 a.m.** at the J. Bratton Davis United States Bankruptcy Court, 1100 Laurel Street, South Carolina. No further notice of this hearing will be given.

TYPE OF SALE: Public Auction. See attached Contract of Sale (Exhibit A).

PROPERTY TO BE SOLD: 6 tracts of real estate and the growing timber on that real estate, the tracts being generally described as follows, with more detailed descriptions attached as Exhibit B.

<u>Name</u>	<u>Acreage</u>	<u>Market Value</u>	<u>Schedule Value</u>
Nix Tract	23.12 acres	68,000	44,000
Walker Tract	233 acres	322,000	320,000
Pine Grove Tract	157.71	196,000	unknown
Stone-Carter Tract	70.36	92,500	75,000

21/22

Doghall-Ritter Tract	856.79	2,285,000	3,000,000
Dukes Tract	342	556,800	815,000

PRICE: Highest bid, without reserve.

APPRAISED VALUE: Market Values shown above are those shown in appraisals prepared by W.H. Hilton, Jr. on September 23, 2002. Schedule values are those shown in the schedules filed by the Debtor.

BUYER: Highest bidder at the auction.

PLACE AND TIME OF SALE: The auction will occur on December 16, 2002 at 7:00 p.m. at the Quality Inn of Walterboro in Walterboro, S.C.

SALES AGENT/AUCTIONEER/BROKER: J. G. Blocker Auction & Realty, Inc., as approved by the Court as a professional.

COMPENSATION TO SALES AGENT/AUCTIONEER/BROKER: 4% commission of the sales price and up to 1.5% of the sales price in expenses, to be paid at closing.

ESTIMATED TRUSTEE'S COMMISSION ON SALE: Pursuant to agreement between the first mortgagee and the trustee, which has been presented to the Court as a Consent Order, the trustee will retain 6% of the net sales proceeds, and he and the estate will share in this amount. In the event that the first mortgagee, Palmetto Farm Credit, ACA ("Palmetto"), is the high bidder at the sale, this amount will be reduced to 5% of the net proceeds.

LIENS/MORTGAGES/SECURITY INTERESTS ENCUMBERING PROPERTY: Palmetto has a first mortgage on almost all of this property, with mortgage balances exceeding \$27,000,000. BB&T has a first mortgage on the Walker Tract, in the approximate amount of \$80,000.

DEBTOR'S EXEMPTION: None.

PROCEEDS ESTIMATED TO BE PAID TO ESTATE: As noted above, Palmetto and the Trustee have agreed that a total of 6% of the net proceeds will remain with the estate, to be used to pay the trustee's commission and expenses, with the remainder to be paid to the unsecured creditors. This amount is reduced to 5% in the event that Palmetto is the successful purchaser at the sale. This agreement is pending in the form of a consent order.

Trustee is informed and believes that it would be in the best interest of the estate to sell said property using the method indicated above. Because there is no equity in this property over and above the secured debt, the only possible recovery for the estate is through a consensual sale of the property with an agreed carve out for the estate.

The court may consider additional offers at any hearing held on this notice and application for sale. The court may order at any hearing that the property be sold to another party on equivalent or more favorable terms.

The trustee may seek appropriate sanctions or other similar relief against any party filing a spurious objection to this notice.

WHEREFORE, applicant requests the court issue an order authorizing sale of said property and such other and further relief as may be proper.

Dated: November 5, 2002

W. Ryan Hovis
W. Ryan Hovis, Chapter 7 Trustee *by 11/8/02*
P. O. Box 10269 *17 express courier*
Rock Hill, South Carolina 29731
(803) 366-1916

Service Date: November 5, 2002

Address of Court:
J. Bratton Davis United States Bankruptcy Courthouse
P.O. Box 1448
Columbia, SC 29202

PROPOSAL

J. G. Blocker Auction and Realty, Inc., would propose to represent Palmetto Farm Credit, ACA, with an auction on the James Larry Connelly, etal properties, tentatively set for ~~November 21, 2002~~ ^{for December 12, 2002}, at 7:00 P.M., at the Quality Inn of Walterboro (formerly known as Holiday Inn) in Walterboro, South Carolina. The costs for promoting this auction would be actual expenses not to exceed one and one-half (1.5%) percent of the appraised property value. The auction commission on this transaction will be ~~five (5%)~~ ^{four (4%)} percent of the sale price of each property sold.

J. G. Blocker Auction & Realty, Inc.


James G. Blocker, SCAL 110

ACCEPTED AND ACKNOWLEDGE receipt of this auction proposal on this

28 day of October, 2002.


Witness

PALMETTO FARM CREDIT, ACA


Lynn A. Dantzler, President

Witness

EXHIBIT A

EXHIBIT A
PROPERTY DESCRIPTION - COLLETON COUNTY

1. DOG HALL TRACT

ALL that certain piece, parcel or tract of land, together with any buildings and improvements which may be situate thereupon, situate, lying and being in Heyward School District, County of Colleton, State of South Carolina, originally containing three hundred seventy-four (374) acres, more or less, according to a plat of survey thereof prepared by S. S. Snook, R.L.S., dated December 21, 1955, and recorded in Plat Book 11 at Page 203 in the RMC Office for Colleton County, S.C.

SAVING AND EXCEPTING:

Twenty-two and seven-tenths (22.7) acres, more or less, severed from the above captioned property and granted to the South Carolina Department of Highways and Public Transportation for the right-of-way of Highway I-95.

ALSO SAVING AND EXCEPTING:

ALL that certain piece, parcel or tract of land lying, being and situate at the intersection of I-95 and U.S. Route 21, containing twenty-two and twenty-six one-hundredths (22.26) acres, more or less, and more particularly shown on a plat of survey prepared for Robert R. Knoth, by W. Gene Whetsell, R.L.S. #3131, dated February 15, 1991, and recorded in the Office of the Clerk of Court for Colleton County, S.C.

Being the same property conveyed to James Larry Connelly by deed of Robert R. Knoth, dated March 8, 1991, recorded March 8, 1991, in Book 516, page 192, in the Office of the Clerk of Court for Colleton County.

TMS No. 255-00-00-004

2. DUKES TRACT

ALL that certain piece, parcel or tract of land situate, lying and being approximately one mile south of Moselle in the Ashton School District of Colleton County and containing three hundred forty-two (342) acres, more or less, as shown on a plat by W. Gene Whetsell, dated February 26, 1983, and recorded in the Office of the Clerk of Court for Colleton County in Plat Book 22, page 51. Said tract of land being bounded generally as follows, to wit: On the north by South Carolina Highway S-15-27; on the east and northeast by lands of Harold Roberts and lands of F. W. and Zola Campbell; on the south and southeast by lands of Lightsey; and on the west and southwest by lands of C. W. Dukes, Jr., and Sue M. Dukes.

Being the same property conveyed to James Larry Connelly by deed of Charley W. Dukes, Jr. and Sue M. Dukes, dated May 4, 1983, recorded May 4, 1983, in Book 264, page 281, in the Office of the Clerk of Court for Colleton County.

TMS No.: 123-00-00-031

3. STONE TRACT

ALL that certain piece, parcel or tract of land, together with any improvements thereon, situate, lying and being in the State of South Carolina, County of Colleton, containing 22.3 acres, more or less, and being more specifically shown and delineated on a plat prepared for James Larry Connelly by W. Gene Whetsell, R.L.S., dated February 12, 1998, said plat to be recorded and incorporated

NPGVL1:90690.1-DE-(LCA) 016913-00039

EXHIBIT B

by reference as a part of this legal description. The above referenced property being bounded on the north and east by property now or formerly of Helen C. Bradley; on the west by property now or formerly of Janice C. Barrett; and on the south by property now or formerly of Connelly Logging of Yemassee, Inc.

Being the same property conveyed to James Larry Connelly by deed of Burdette W. Stone, dated March 2, 1998, recorded March 2, 1998, in Book 804, page 307, in the Office of the Clerk of Court for Colleton County.

TMS No.: 127-00-00-087

4. MARY WALKER TRACT

ALL that certain tract or parcel of land, situate, lying and being near Hendersonville, Colleton County, South Carolina, containing 233 acres, more or less, and bounded now or formerly as follows: Northeast by State Road No. 66; east and southeast by lands of Larry Bell, lands of Hugh Guess and lands of White; west and northwest by lands of White, being more particularly described by reference to a plat prepared by C. E. Durant, R.L.S., dated 2/15/11, and recorded in the RMC Office for Colleton County, South Carolina, in Plat Book 1, page 459.

Being the same property conveyed to James Larry Connelly by deed of Mary W. Walker, dated December 30, 1998, recorded December 30, 1998, in Book 846, page 201, in the Office of the Clerk of Court for Colleton County.

TMS No.: 245-00-00-006

5. NIX TRACT

ALL that certain piece, parcel or tract of land lying, being and situate in the Black Creek area, County of Colleton, State of South Carolina, containing thirteen and sixty-two one-hundredths (13.62) acres, more or less, and measuring and bounded as follows: On the north by the sixty-six foot (66') right-of-way of Road S-15-66 for a distance of one thousand five hundred seventy-five and thirty one-hundredths feet (1575.30'); on the northeast by lands of Elgebar Corporation for a distance of two hundred eighty-four and five-tenths feet (284.5'); on the southeast by Parcel B for a distance of one thousand six hundred five and three-tenths feet (1605.3'); and on the southwest by lands of Rebecca M. Walker for a distance of five hundred seventy-four and six-tenths feet (574.6'), be all distances, more or less. For a more particular metes and bounds description, reference may be had to the plat prepared for James Larry Connelly by W. Gene Whetsell, R.L.S. #3131, dated July 20, 1989, and recorded July 27, 1989, in Plat Book 28, at page 235, in the Office of the Clerk of Court for Colleton County, and designated as Tract "A."

Being the same property conveyed to James Larry Connelly by deed of Paul R. Hefner, Jr. and Kay W. Hefner, dated July 27, 1989, recorded July 27, 1989, in Book 459, page 227, in the Office of the Clerk of Court for Colleton County.

TMS No.: 231-00-00-027

6. EMERY WALKER TRACT

ALL that certain piece, parcel or tract of land lying, being and situate in the Black Creek area, County of Colleton, State of South Carolina, containing nine and five-tenths (9.5) acres, more or less, and measuring and bounded as follows: On the northwest by Parcel A for a distance of one thousand six hundred five and three-tenths feet (1605.3'); on the northeast by Elgebar Corporation for a distance of two hundred fifty-nine and three-tenths feet (259.3') on the southeast by Charles H. Walker Heirs for a distance of one thousand six hundred five and three-tenths feet (1605.3'); and on the southwest by Emery Walker for a distance of two hundred fifty-nine and nine-tenths feet (259.9'); be all distances more or less. For a more particular metes and bounds description reference may be had to the plat prepared for James Larry Connelly by W. Gene Whetsell, R.L.S. #3131, dated July 20, 1989, and recorded July 27, 1989, in Plat Book 28, page 235, in the Office of the Clerk of Court for Colleton County, and designated as Tract "B."

Being the same property conveyed to Larry James Connelly by deed of Emery Walker, dated July 27, 1989, recorded July 27, 1989, in Book 459, page 223, in the Office of the Clerk of Court for Colleton County.

TMS No.: 213-00-00-027

7. RITTER TRACT

ALL that certain piece, parcel or tract of land, situate, lying and being in Colleton County, South Carolina, in what is known as the Heyward Township, containing 534.85 acres, including 2.27 acres which lies east of U. S. Route 21, and being bound as follows: On the north for various distances by lands of Georgia-Pacific Corporation and lands of L. L. Roberts, Jr.; on the east by U. S. Highway 21 for various distances by lands of Pandora Co., Inc.; and the west by the run of the Colleton River. For more particular description, reference is asked to that plat prepared by D. W. Price, R.L.S., which is dated January 1983 and recorded in the Office of the Clerk of Court for Colleton County in Plat Cabinet C at Slide 59.

EXCEPTING AND SPECIFICALLY RESERVING unto the Estate of Albert A. Ritter and Trustees of Gertrude A. Ritter under the Will of Albert A. Ritter, its heirs and assigns, one-half (1/2) interest in and to any and all sales that might be made of gas, oil and any and all other minerals except sand mining within a ten (10) year period beginning with the date of sale of said property.

LESS AND FURTHER EXCEPTING THE FOLLOWING PROPERTY CONVEYED TO CAROL B. CONNELLY: ALL that piece, parcel or tract of land, situate, lying and being in the County of Colleton, State of South Carolina, shown as designated as "9.06 AC" on a plat entitled "BOUNDARY SURVEY AS REQUESTED BY JAMES LARRY CONNELLY, COLLETON COUNTY, SOUTH CAROLINA," dated January 6, 1999, recorded in the Office of the Clerk of Court for Colleton County in Plat Book 665, page 2; said tract having such size, shape, metes, bounds, location and dimensions as are shown on said plat.

SUBJECT, ALSO, to that certain Timber Deed recorded in the Office of the Clerk of Court for Colleton County in Book 275, page 52.

Being the same property conveyed to James Larry Connelly by deed of Eula Lee M. Price, Clancy E. Mitchell and Joe F. Cannington, as Trustees under the Last Will and Testament of Albert A. Ritter

for the benefit of Gertrude A. Ritter, dated February 10, 1984, recorded February 17, 1984, in Book 284, page 202, in the Office of the Clerk of Court for Colleton County.

TMS No.: 255-00-00-001

8. DOROTHY CARTER TRACT:

All that certain piece, parcel or tract of land containing 46.66 acres, more or less, and lying and being situate Southwest of the Town of Ruffin, County of Colleton, State of South Carolina, measuring and bounding as follows: on the Northeast by lands of Doyne W. Stone, Jack E. Cummings and Helen E. Cummings for a distance of Three thousand seventy seven and seventy six one hundredths (3,077.76) feet; on the South by lands of Thomas L. Crosby, Jr. and Alvin Breland for a distance of Four thousand five hundred ninety eight and ninety one one hundredths (4,598.91) feet; on the Northwest by lands of Gary Bryan and Jack E. Cummings for a distance of One thousand seven hundred seventy four and eleven one hundredths (1,774.11) feet. Said tract being triangular in shape. Reference may be had to that plat of a 46.66 Acre Tract of Land Located Southwest of the Town of Ruffin, surveyed for the Estate of Otis C. Carter, prepared by John David Bass, R.L.S. #15388 dated October 24, 1994 and recorded in Plat Book 613 at Page 6 in the Office of the Clerk of Court for Colleton County, S.C.

Being the same property conveyed to James Larry Connelly by deed of Walterboro Forest Products, Inc., f/k/a Connelly Logging of Yemassee, Inc., dated of even date herewith, to be recorded simultaneously herewith in the Office of the Clerk of Court for Colleton County.

TMS No.: 127-00-00-086

9. BARRETT TRACT

ALL that certain piece, parcel or tract of land, situate, lying and being on the southern edge of the right-of-way of Road S-15-112, a 66' R/W, in the County of Colleton, State of South Carolina, as shown on that certain plat entitled "BOUNDARY SURVEY AS REQUESTED FOR WALTERBORO FOREST PRODUCTS COLLETON COUNTY SOUTH CAROLINA LANDS OF J. C. BARRETT", dated December 23, 1999, prepared by James C. Ulmer, PLS, to be recorded simultaneously herewith in the Office of the Clerk of Court for Colleton County, South Carolina, said tract having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully and at large appear.

Being the same property conveyed to James Larry Connelly by deed of Eastern Pacific International, L.L.C., dated of even date herewith, to be recorded simultaneously herewith in the Office of the Clerk of Court for Colleton County.

TMS No.: 127-00-00-131

9. PINE GROVE TRACT

All that certain piece, parcel or lot of land, together with buildings and improvements thereon, situate, lying and being in Colleton County, South Carolina, containing 157.71 acres, more or less, and measuring and being bounded as follows:

on the Northeast measuring One Thousand One Hundred Sixty Six and Thirty One Hundredths (1,166.31') feet, more or less, and being bounded thereon by lands of Edna B. Benton; on the Northeast measuring One Thousand Two Hundred Six and Eighty Six Hundredths (1,206.86') feet, more or less, and being bounded thereon by lands of Edna B. Benton; on the Southeast measuring Four Hundred Seventy Eight